Secrtt. II-27—100,000—21-5-52.

Home (1950) Department.

M1 SERIES.

G.O. No. 1149

Dated 1.3.50

[Despatch Abstract.]

JAILS - Contracts - Petitions from Contractors for loss sustained - Disposal of - General principles - Laid down.

GOVERNMENT OF MADRAS.
ABSTRACT.

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JAILS - contracts - Petitions from Contractors for loss sustained - Disposal of - General principles - Laid down.

HOME DEPARTMENT.

G.O.MS.NO.1149. Dated 17th March 1950.
Read the following:--

ORDER:

The Government are receiving a number of petitions from contractors of Jails and Borstal and Certified Schools for payment of compensation towards loss incurred in the supply of articles on contract. Some of the petitions are belated and some are frivolous and on examination in consultation with the Inspector General of Prisons and other departments concerned, it is found that most of the petitioners do not deserve any consideration at all. It is also seen that many contractors bid at auctions at artificially low rates in the hope of getting some compensation at later date. Government are generally averse to paying compensation, especially because contractors are expected to know the consequences of their bidding. Under the agreement entered into with contractors, they are bound to supply articles at the rates accepted by Government and they have no legal right to claim compensation.

2. The following general principles are, however, laid down for the disposal of petitions for compensation from contractors from the guidance of officers of the Jail and certified Schools Departments:

3. (1) Petitions from contractors claiming compensation should be submitted to Government through the Jail Superintendent and the Inspector General of Prisons of the Headmaster of Certified Schools within one year from the date of completion of the contract year. Claims which are not submitted within this period should be rejected straightway.

(2) The question of payment of compensation in respect of the article will be considered only when the market rate of the article, at the time of aucton or the contract rate of the article, whichever is higher. Claims which do not comply with this condition may be rejected straightway by the Superintendent or the Head master.

(3) If the contractor has taken contract for the supply of more than one article and made a profit on the supply of any of these articles, such profit will deducted from the loss calculated with reference to condition (2) above.

(4) If the contractor has taken contractors for the supply to more than one institution, all the institutions for which he had supplied should be treated as a single unit for purposes of compensation and any profit made by the contractor on supplies made to one or more istitutions should be taken into account in assessing the compensation payable to him.

(5) Only wholesale market rates should be taken into account in calculating the profit or loss.

(6) Compensation statements should be worked out by Superintendents or Headmasters only if all the conditions menti mentioned above are satisfied.

3. The Inspector Geneal of Prisons, Madras, the Chief Inspector of Certified Schools, Madras and Collectors are requested to reject straightaway all petitions for compensation from contractors for loss sustained in the supply of articles to institutions under their control,

which do not comply with the conditions laid down in para 2 above; and to submit a statement prepared in accordance with conditin(2) in para 2, while forwarding petitions from contactors, which comply with the conditions laid down in para 2 of this order. Contractors should be informed that peitions sent direct to the Government are liable to summary rejection and that orders on such petitions will not normally be communicated to them

(BY ORDER OF THE x x x)

(Sd.) x x x
Secretary to Government.

To The Inspector Geneal of Prisons,
To The Chief Inspector of Certified Schools.
To All Collectors.
To The Accountant-General through the Finance Department.
To The Finace Department.

/True Copy/

Superintendent,
Madras Record Office,
Madras.